

DISPATCH		CLASSIFICATION S-E-C-R-E-T	DISPATCH SYMBOL AND NO. HDBA-66702
TO INFO	Chief, EE COS/G	HEADQUARTERS FILE NO. 321-126-0024 VVM 690	
FROM	Chief of Base, Berlin	DATE 20 December 1960	
SUBJECT	Operational/CADONY LCCASSOCK/Status Report on LCCASSOCK Liquidation	RE: "43-3" - (CHECK "X" ONE)	
		MARKED FOR INDEXING	
		NO INDEXING REQUIRED	
ACTION REQUIRED	None	INDEXING CAN BE JUDGED BY QUALIFIED HQ. DESK ONLY	
REFERENCE(S) HDBA-64615, 20 July 1960			
<p>1. <u>Status of Former and Current Principals:</u></p> <p>a. <u>LCCASSOCK-1.</u> The status of L-1's current employment is somewhat confused. [ ] who met and talked with L-1 in Bonn a few weeks ago, reported that L-1 is now employed in one of the top jobs in <u>Inter Nationes</u> under von Hammerstein, former <u>All-German Affairs Ministry</u> press officer who has taken over as head of <u>Inter Nationes</u>. At about the same time, [ ] reported that L-1, in a telephone conversation with her, remarked that he was now unemployed. We suspect that [ ] information is the more reliable and are led to hope that L-1 may at last have found a job suitable to his experience and taste. Considering the <u>UPHILL</u> connection with <u>Inter Nationes</u>, it is possible that <u>UPHILL</u> may still have an interest in L-1, despite his earlier formal dismissal by <u>UPHILL</u>.</p> <p>b. Sales proceeds from the last (February 1960) issue of the <u>LCCASSOCK</u> commercial magazine, which L-1 produced and distributed on his own, have finally been accumulated and will shortly be forwarded to L-1, per his termination agreement. This will sever the last remaining link between the project firm and L-1.</p> <p>c. [ ] was formally terminated on 9 August 1960. His <u>ASN</u> and quit-claim/secrecy agreement were forwarded under HDBA-66542, 5 December 1960. Efforts to recover the pistol, which was issued to [ ] several years ago and which was apparently lost or taken by a departing <u>LCCASSOCK</u> employee at the time the <u>LCCASSOCK</u> offices were vacated, have been unsuccessful. Accountability for the pistol will be dropped by <u>BON</u> on an approved operational certificate.</p> <p>d. [ ] has apparently changed her mind about going to the United States (she says, on second thought, she can't bring herself to leave Berlin) and is presently actively seeking a secretarial job of some kind in Berlin. Termination documents on her will be forwarded following completion of <u>LCCASSOCK</u> liquidation in February or March 1961.</p> <p>2. <u>LCCASSOCK GmbH Liquidation Developments:</u></p> <p>a. The main business of liquidation of the <u>LCCASSOCK GmbH</u> is now past. [ ] is presently cleaning up odds and ends, involving for the most part continuing efforts to collect remaining accounts receivable from small-time creditors, preparatory to winding up the liquidation year in February 1961. The last piece of <u>LCCASSOCK</u> equipment, a paper-cutting machine, has been sold for DM 2500; and the last major debt, the amount owed L-1 from sales proceeds of the February 1960 <u>LCCASSOCK</u> commercial magazine, will be paid shortly (see paragraph 1-b above). Given a bank and cash balance of approximately DM 10,500 in the <u>LCCASSOCK GmbH</u>-in-liquidation as of 1 December 1960 and projected</p> <p>Approved: _____</p> <p>Attachments: A. <u>LCCASSOCK</u> project accountings, use B. <u>LCCASSOCK</u> summary accountings, hr</p> <p>Distribution: 2-C/EE, w/atts A and B 2-COS/G, w/atts A and B</p> <p>DECLASSIFIED AND RELEASED BY CENTRAL INTELLIGENCE AGENCY SOURCES/METHOD/EXEMPTION 3B2B NAZI WAR CRIMES DISCLOSURE ACT DATE 2006</p> <p><i>LCCASSOCK-1 (20)</i> <i>R/2 AB</i></p>			
FORM 10-57 53 (40)	USE PREVIOUS EDITION. REPLACES FORMS 10-57, 10-58, AND 51-29 WHICH ARE OBSOLETE.	CLASSIFICATION S-E-C-R-E-T	<input checked="" type="checkbox"/> CONTINUED PAGE 1

expenditures of approximately DMW 6500 over the following three months, we can project a ca. DMW 4000 cash balance at the end of the liquidation year on 4 February 1961.

b. To ensure that no assets remain on the LCCASSOCK firm's books at the end of the liquidation year, we have asked ☐ to transmit immediately DMW 3000 of the present cash reserve to ☐ LCCASSOCK underkonto ☐ the trustee representing the FBPRIME lawyer and is also holder of 100% equity in the firm) in partial payment of the DMW 24,987 "loan" from the LCCASSOCK FBPRIME lawyer (see paragraph 2-e of reference). Before 4 February 1961 we plan to siphon off the remaining cash balance (ca. DMW 1000) in the same manner. These funds will be transferred by ☐ to COS and will be credited to the project.

c. There has been no further word or notification from the local finance office regarding the Finance Ministry decision in the LCCASSOCK turnover tax case (see paragraph 2-a of reference). In August 1960 an examination of LCCASSOCK books by the local Hauptfinanzamt fuer Erbschaftsteuer und Verkehrssteuern resulted in a small corporation tax charge of DMW 35, but nothing was said in this connection about the turnover tax decision. We presume that the local finance office has, in fact, dropped all claims against the LCCASSOCK firm, but that no official notification will be made thereof in view of the imminent end of LCCASSOCK-in-liquidation.

d. As a result of a belated press review of the LCCASSOCK brochure Der Grosse Verrat, ☐ received dozens of orders for the brochure from West German and Berlin residents and book stores. About 40 of these orders were filled (without cost) from remaining LCCASSOCK stocks of the brochure; the remaining orders could not be filled.

### 3. Financial Report:

a. Monthly accountings of LCCASSOCK income and expenditures during the period July-October 1960 are forwarded under Attachment A.

b. Summary accountings for the same period are forwarded under Attachment B.

c. LCCASSOCK financial status as of 1 December 1960 was as follows:

FY 1960 budget (per Allocation Advice No. 4, COS Memorandum, 16 February 1960)		\$67,500.00
Cumulative disbursements through June 1960		<u>57,795.10</u>
Unexpended budget funds, as of 30 June 1960		9,704.90 *
Disbursements, July through 30 November 1960:		
L-8 termination payment, 5 July 1960 (DMW 7000)	\$1,666.67	
Ops expenses, Aug. 1960 (DMW 20.29)	<u>4.83</u>	<u>1,671.50</u>
Unexpended budget funds, as of 1 December 1960		<u>\$ 8,033.40</u>

\* This amount was incorrectly noted as \$9,703.90 in the reference paragraph 3-e calculation, due to an error in the figure listed for "Total Disbursements, Jan-June 1960" in the reference calculation. The latter figure should have read \$16,244.35, instead of \$16,245.35.